

DILEMMAS

Getting green with envy over a junior staffer's green



SUSAN PINKER
PROBLEM SOLVING

Dear Susan:

I am a national marketing manager and my performance has been documented as exemplary over my five years with the company. I've moved up the ranks quickly, but always felt I was underpaid. I'm now recruiting an employee as an assistant marketing manager, who is currently in a different division of our company. He's been with the firm eight years, having joined just out of school. My human resources colleague and I realize that he already has a compensation package equivalent to my own, and HR would like to give him a small increase as well. I let my boss know that I need a big raise to set things right -- but he's resisting. Apparently, he doesn't see anything wrong with this scenario. What should I do?

-- It's Not Easy Being Green

Dear Green,

As you've discovered, there's no better way to alienate an employee than to pay him or her less than a junior. One of my friends spent 20 years climbing the ranks of her multinational company, finally breathing the thin air near the top. A committed workhorse and a clever one, too, the minute she learned a junior recruit was getting more, she turned on her heels and was gone. "I was furious. I said: 'I can't accept this,'" she said of her

subordinate's title, company car and stock options. The two of them were among the few women there. Now there's one less.

Had she known how to ask, this maverick might have put her thumb on the scale. Like you, she zeroed in on the perceived injustice by comparing herself with one other person. "That doesn't work," says Kevin Tasa, an assistant professor in organizational behaviour who researches decision-making at McMaster University in Hamilton. "You must present objective data. The pitch needs to be in terms of 100 or 1,000 other people." Websites for business schools, the government, marketing associations and recruiters are good sources for salary information, he adds.

As a marketing manager, you sell things by grasping the contours of the market. Now apply that strategy -- but with yourself as the product. Having done your homework, you can present the figures calmly, as facts, not as a moral suasion.

Employers, too, might want to do their sums. When junior recruits get paid more than their superiors, it's called salary inversion, and the resentment can cause turnover, apathy and even revenge. An American Association of University Professors survey found salary inversion among 69 per cent of university departments -- more money had been dangled in front of junior professors in order to attract them. The result was a hefty "loyalty tax" that drove resentful senior faculty to scan the academic help wanted ads.

Where does the desire to quit or retaliate come from? It's not just a thought but a feeling. In a new field that looks at how the brain deals with money, one study showed that different

neural networks are activated by fair versus unfair monetary offers. Unfair ones prompt activity in the areas governing emotion, not just where thinking and decision-making happens. That's why underpaid employees feel a sense of pique and a need for redress.

Another study found separate neural pathways for immediate and delayed rewards, which might explain why future bonuses boost performance much more than raises do. Michael Sturman, an associate professor of human resources at Cornell University in Ithaca, N.Y., followed 700 employees for four years and found that salary raises are appreciated but bonuses are the real carrot. "You want to pay above the market and keep raises high," he says.

That will raise an employee's performance about 6 per cent, but bonuses can boost performance 20 per cent, Prof. Sturman says. He emphasizes that you "get more bang for your buck" when you top up salaries with bonuses for high achievers.

Dear Susan:

At holiday time, I drown in requests from charities. One of the biggest sources is work, with an office fund for a big local charity, several colleagues running their own personal drives -- biking, running, climbing and food and toy barrels. There are also people selling chocolates or raffles for their favourite causes. Every year, the list grows longer and this is turning into interference in our personal lives. If we earn it, are taxed on it, why can't we keep the rest? Is it okay to say no?

-- Empty Pockets

Dear Empty,

Pick the cause you want to support and feel free to decline the rest. This is not a print version of the famous Sally Struthers commercial where she's pictured with starving children saying "you can help now or you can change the channel." But neither is it Starvin' Marvin, the South Park episode that parodies Ms. Struthers' appeal.

At work, anyway, you should reject cynicism for humanitarian values. Here's why:

Think about them: If you are employed, you are already better off than two million Canadians who don't have jobs. That's roughly the population of greater Vancouver. And if you earn more than \$10 an hour, you're besting a few million more. Even if you don't feel a twinge for the schizophrenic guy sleeping in the street or the pot-bellied child on TV, you didn't get to where you are through sheer talent and grit. Your health care, water, plumbing, immunizations, schools and post-secondary education were either free or heavily

subsidized, and your connections greased the wheels of your career.

"If you stick me down in the middle of Bangladesh or Peru, you'll find out how much this talent is going to produce in the wrong kind of soil," admitted Warren Buffett in an article in The New York Times. Its author, philosopher Peter Singer, wonders why more private citizens don't follow Mr. Buffet's example. Mr. Buffet gave \$31-billion (U.S.) to the Gates Foundation in June and another \$6-billion to other charities. Of course, we're not all made of the same kind of stuff, but if everyone earning \$92,000 a year donated 10 per cent of their income to charity (and the higher earners paid more), Mr. Singer calculates that global hunger, disease and child death resulting from poverty would be wiped out in no time.

That's a laudable goal, but we're a long way off. Canadians give an average of 1 per cent of their income away, with 21 per cent of Canadians donating 82 per cent of all charitable dollars, says Lisa Hartford, a

spokeswoman for Imagine Canada, an Ottawa group that researches charities and volunteerism.

Think about yourself: Altruism is not the only reason to reach into your pockets -- charity is also good for your health. A five-year study of 423 older couples found that the individuals who gave more than they received lived longer. Giving may induce positive feelings that have protective cardiovascular effects, says research psychologist Stephanie Brown at the University of Michigan, commenting on the 40 to 60 per cent lower risk of mortality in the givers.

Susan Pinker is a psychologist and writer.
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